U.S. Department of the Interior
Bureau of Land Management
White River Field Office
220 E Market St
Meeker, CO 81641

ENVIRONMENTAL ASSESSMENT

NUMBER: DOI-BLM-CO-110-2011-0080-EA

CASEFILE/PROJECT NUMBER: COC74817

PROJECT NAME: Blue Mountain Energy Coal Exploration License

LEGAL DESCRIPTION: T3N, R101W, 6th P.M.
Sec. 17, 18, 19

T3N, R102W, 6th P.M.
Sec. 24, 25

APPLICANT: Blue Mountain Energy, Inc.

DESCRIPTION OF PROPOSED ACTION AND ALTERNATIVES:

Background/Introduction: Blue Mountain Energy (BME) operates the Deserado underground longwall coal mine that supplies the Bonanza Power Plant in Bonanza, Utah. The mine is located in Rio Blanco County, Colorado approximately seven miles northeast of Rangely, Colorado. Deserado was permitted in 1981 and has been producing coal since 1983. Deserado Mine is considered a captive mine since all coal produced is sold and shipped to its sole customer, the Bonanza Power Plant, in Bonanza, Utah. The coal is transported via electric train 37 miles from the mine to the power plant. There are two mineable coal seams in the currently leased mine area, the D-seam and the B-seam. The upper seam is the D-seam with an inter-burden that varies from 5 feet to 70 feet between the D and B-seams. Production of the D-seam in the eastern portion of the mine ceased in November 1999 and the longwall moved into the B-seam located in the western half of the permitted mine area. Mining of the B-seam continues and is progressing towards the northwest. Depositional geology of the B-Seam is complex with multiple splits and varying mineable coal thickness. Areal extent of coal reserves need to be identified to ensure the maximum economic coal recovery by preventing the bypass of mineable coal and a continued supply of coal to the power plant. A coal exploration license is valid for two years from its effective date.

Proposed Action: BME proposes to drill up to a total of 15 coal exploration wells northwest of the active mining and existing coal leases (See Figure 1). It is unlikely that all 15 exploration holes would be drilled. Total estimated new disturbance is 7.0 acres, 3.5 acres for the well locations and 3.5 acres for access. Access roads would be approximately 12 feet wide and would

consist of over land travel without extensive disturbance. Access route selection was based on minimizing the extent of disturbance and limiting potential future public access.

A truck mounted air-water drill rig would be used and drill hole depths would vary from 300 feet to 685 feet. Support equipment includes a pipe trailer or truck, auxiliary compressors and tools, a water truck and a support pickup. Mineable coal bearing strata and aquifers encountered would be grout-cemented through the zones and 50 feet above and below the zones. The rest of the hole, up to 10 feet of the surface, would be back filled with cuttings and mud. The remaining 10 feet would be cemented to surface with a hole marker cemented into the top of each hole at ground level.

BME intends to drill the proposed holes starting in 2011 and if unable to complete the drilling program this year the remaining holes would be drilled in 2012. Anticipated drill time per hole is expected to be one week.

Reclamation of disturbed sites would begin following site abandonment. Drill sites would be recontoured, reseeded, and all access roads not previously existing would be scarified and seeded with the following seed mix:

Seed Mix 1

Reclamation Species and Seed Mixes (expressed as pure live seed (PLS) lbs. per acre). Recommended Mixes (PLS lbs/acre)			
Common Name	**Scientific Name**	**PLS lbs/acres**	**Variety**
GRASSES			
Thickspike wheatgrass	*Agropyron dasystachyum*	1.0	Critana/Schwendimer
Desert wheatgrass	*Agropyron desertorum*	2.0	Nordan
Siberian wheatgrass	*Agropyron fragile ssp. sibericum*	2.0	Vavilor
Western wheatgrass	*Agropyron smithii*	3.0	Rosana
Beardless bluebunch WG	*Agropyron inerme*	0.5	Whimar
Bluebunch wheatgrass	*Agropyron spicatum*	0.5	Anatone
Slender wheatgrass	*Agropyron trachycaulum*	4.0	Pryor
Pubescent wheatgrass	*Agropyron trichophorum*	1.0	Topar
Great Basin wildrye	*Elymus cinereus*	1.0	
Bottlebrush squirreltail	*Elymus elymoides*	0.2	
Russian wildrye	*Elymus junceus*	2.0	Bozoisky or Swift
Sheep fescue	*Festuca ovina*	0.2	Covar
Junegrass	*Koeleria cristata*	0.2	
Indian ricegrass	*Oryzopsis hymenoides*	0.4	Nezpar

Canby bluegrass	*Poa canbyi*	0.2	Canbar
Sandberg bluegrass	*Poa sandbergii*	0.2	
Alkali sacaton	*Sporobolus airoides*	0.1	
Green needlegrass	*Stipa viridula*	0.6	
TOTAL GRASSES		**19.1**	
FORBS			
White yarrow	*Achillea millefolium*	0.1	
Cicer milkvetch	*Astragalus cicer*	1.0	Monarch (inoculated)
Lewis flax	*Linum lewisii*	0.4	Maple grove / Appar
TOTAL FORBS		**1.5**	
SHRUBS			
Wyoming big sagebrush	*Artemisia tridentata wyomingensis*	0.1	
Fourwing saltbush	*Atriplex canescens*	2.0	Rincon or local collection
Shadscale	*Atriplex confertifolia*	0.5	
TOTAL SHRUBS		**2.6**	
TOTAL MIX		**23.2**	
Note: The seed mix may be varied slightly using the species listed or locally collected seed from desirable native species. Variations of these mixes must maintain a minimum of 75% of the original mix (based on PLS/ft2) unless prior approval is received from DRMS. A %PLS of 50% shall be assumed for untested locally collected native seed. Any variation must be identified in the Annual Reclamation Report. Application rates should be doubled if broadcast.			

Seed rates of pounds PLS per acre for broadcasting would be consistent with the seed mix approved for the Deserado mine identified as "Interim & Drill Sites" with the seeding rate for desert and Siberian wheatgrass cut in half and the rates for western, beardless, bluebunch and slender wheatgrass doubled.

The BLM would comprise an all, or mostly all, native seed mix to be tested several drill sites where cheatgrass appears to be a threat. Where this seed mix is utilized the BLM could apply herbicides to curtail cheatgrass establishment.

No Action Alternative: No exploration drilling activities would occur.

ALTERNATIVES CONSIDERED BUT NOT CARRIED FORWARD: None.

PURPOSE & NEED FOR THE ACTION: The purpose of the Proposed Action is to provide Blue Mountain Energy Inc. access to a limited number of sites for the exploration of coal resources on Public Lands in a manner that avoids, minimizes, reduces, or mitigates potential impacts to other resource values. Continued exploration is necessary to maintain options for production of coal as BME attempts to locate and develop previously unidentified, inaccessible, or uneconomical reserves. Exploration is proposed to meet requirements of the Mineral Leasing

Act of 1920, as amended by Section 4 of the Federal Coal Leasing Amendments Act of 1976 and the Mining and Minerals Policy Act of 1970. Coal is a marketable resource that meets the public's need for energy.

Allowing for coal exploration and delineation provides for the orderly development of coal resources under BLM's jurisdiction in a manner consistent with multiple use management and environmental consideration for the resources that may be present. This requires that adequate provisions are included with the exploration license to protect public health and safety and assure full compliance with the spirit and objectives of the National Environmental Policy Act (NEPA) and other federal environmental laws and regulations.

Decision to be Made: Determine the conditions and limitations necessary to issue a coal exploration license allowing the exploratory drilling of up to 15 exploration holes to delineated coal resource for the existing Deserado Mine that would comply with the BLM's statutory obligations as outlined in 43 CFR § 3410.

SCOPING, PUBLIC INVOLVEMENT, AND ISSUES:

Scoping: Scoping was the primary mechanism used by the BLM to initially identify issues. Internal scoping was initiated when the project was presented to the White River Field Office (WRFO) interdisciplinary team on 2/24/2011. External scoping was conducted by posting this project on the WRFO's on-line National Environmental Policy Act (NEPA) register on 6/8/2011. Additionally, a press release was issued 9/9/2011 asking for public comments through 9/26/2011. No comments were received or issues identified as of 9/29/2011.

Issues: No issues were identified during public scoping.

PLAN CONFORMANCE REVIEW: The Proposed Action is subject to and has been reviewed for conformance with the following plan (43 CFR 1610.5, BLM 1617.3):

> Name of Plan: White River Record of Decision and Approved Resource Management Plan (ROD/RMP).
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> Date Approved: July 1, 1997
>
> Decision Number/Page: 2-7
>
> Decision Language: "Ensure that federal coal resources identified as acceptable for further consideration for coal leasing, are available for exploration, leasing and development."

AFFECTED ENVIRONMENT / ENVIRONMENTAL CONSEQUENCES / MITIGATION MEASURES

STANDARDS FOR PUBLIC LAND HEALTH: In January 1997, Colorado Bureau of Land Management (BLM) approved the Standards for Public Land Health. These standards cover

upland soils, riparian systems, plant and animal communities, threatened and endangered species, and water quality. Standards describe conditions needed to sustain public land health and relate to all uses of the public lands. Because a standard exists for these five categories, a finding must be made for each of them in an environmental analysis. These findings are located in specific elements listed below:

NATURAL, BIOLOGICAL, AND CULTURAL RESOURCES

AIR QUALITY

Affected Environment: Based on a review of designated non-attainment areas for criteria pollutants, published by the Environmental Protection Agency (EPA 2010), the Proposed Action is an attainment area for national and state air quality standards. The Proposed Action is also located outside a 10-mile radius of any special designation airsheds or non-attainment areas. Non-attainment areas are areas designated by U.S. Environmental Protection Agency (EPA) as having air pollution levels that persistently exceed the national ambient air quality (NAAQ) standards. Projects that could impact special designation areas and non-attainment areas may require special consideration from the air quality regulatory agencies of Colorado Department of Public Health and Environment (CDPHE) and the EPA. The closest special designation areas are Dinosaur National Monument (which is located northwest of the project area (designated Class II airshed with Prevention of Significant Deterioration (PSD) with thresholds for sulfur oxides and visibility)), and the Mount Zirkel and Flat Tops Wilderness Areas (located to east and the north of the Proposed Action (designated Class I areas)). General conformity regulations require that federal activities do not cause or contribute to a new violation of NAAQ standards; that actions do not cause additional or worsen existing violations of the NAAQ standards; and that attainment of these standards is not delayed by federal actions in non-attainment areas.

The Proposed Action is in the White River Basin where industrial facilities include coal mines, soda ash mines, oil shale research and development, and natural gas processing and compression facilities. Emissions of air pollutants due to exhaust emissions, volatile organic compounds (VOCs), nitrogen oxides (NOx), and dust (particulate matter) are likely to increase into the future due to industrial uses, increased population, power plants, and oil and gas development in the White River and nearby Unita and Yampa River Basins. However, with the exception of ozone, overall air quality conditions in the White River Basin are likely to continue to be in attainment of NAAQ standards due to effective atmospheric dispersion and limited transport of air pollutants from outside the area. Ozone is a secondary pollutant, formed photochemically (by the sun) by combining VOCs and nitrogen oxides (NOx) emissions. Data collected in Dinosaur, Meeker, and Rangely have measured exceedance in standards for 1-hour and 8-hour values for ozone (120 ppb and 75 ppb, respectively). To date, these exceedances have not been persistent enough to result in a violation of NAAQ standards.

The Proposed Action is located in the western Counties monitoring region and according to the 2010 CDPHE monitoring assessment for this area showed there were 11 particulate monitors in this region (CDPHE, 2010). This regional assessment did not include two BLM sponsored sites in Meeker and Rangely established in 2010. Local air quality parameters including particulates

are being measured at monitoring sites located at Meeker, Rangely, Dinosaur, and Ripple Creek Pass near the Flat Tops Wilderness Area.

Environmental Consequences of the Proposed Action: Construction of wellpads and access roads would result in low and short-term impacts on air quality during drilling activities. Increases in the following criteria pollutants would occur due to combustion of fossil fuels: carbon monoxide, ozone, nitrogen dioxide, and sulfur dioxide. Non-criteria pollutants (NAAQ standards have not been set for non-criteria pollutants) such as nitric oxide, air toxics (e.g., benzene), and total suspended particulates may also experience slight, temporary increases as a result of the Proposed Action. Even with increases in criteria and non-criteria pollutants, the project would be unlikely to result in an exceedance of NAAQ standards and Colorado ambient air quality (CAAQ) standards and would most likely be under PSD thresholds.

Once the wells are reclaimed all the topsoil removed during road construction should be redistributed and stabilized. The increase in airborne particulate matter from this project and the other wells previously approved is not expected to exceed CAAQ or NAAQ standards on an hourly, 8-hour average, or daily basis.

Environmental Consequences of the No Action Alternative: No impacts to air quality would result from the No Action Alternative.

Mitigation: None.

SOILS (includes a finding on Standard 1)

Affected Environment: The Proposed Action is expected to result in seven acres of surface disturbance associated with drilling the 15 test wells. Soils within 98 feet (30 meters) of the exploration license area and 98 feet (30 meters) around areas outside the lease boundary impacted by access roads are shown in the Table 1. There are no fragile soils or lands prone to landslides on Federal lands that will be impacted by this project. There are about 30 acres of saline soils (conductivity > 16 millimhos). Access roads outside the exploration license area will use existing routes and will not require additional disturbance. New road construction will occur to individual drilling sites within the lease exploration area.

Table 1 Soil Classifications within 30 Meters of the Surface Disturbance Proposed and the Boundary of the Exploration License Area

Soil Classification	Range Site Description	Potentially Impacted Acres
Chroder sandy loam, 3-12% slopes	Loamy Cold Desert	44
Forelle loam, 3-8% slopes	Rolling Loam	15
Moyerson stony clay loam, 15-65% slopes	Clayey Slopes	437
Rentsac-Moyerson-Rock Outcrop, complex, 5-65% slopes	PJ Woodlands/Clayey Slopes	534
Turley fine sandy loam, 0-3% slopes	Alkaline Slopes	34
Turley fine sandy loam, 3-8% slopes	Alkaline Slopes	148

Massadona-Youngston moist, complex, 1-8%	Semidesert Clay Loam	75
Turzo loam, saline, 1-8% slopes	Alkaline Slopes	31
Avalon-Persayo,moist-Degater complex, 3-30% slopes	Semidesert Loam	183

Many of these soils are derived from calcareous shale and therefore will be clayey and alkaline. There are typically rock fragments on the surface with sizes from stones to boulders. Runoff on these soils is moderate to rapid and the erosion hazard is moderate to very high. Vegetation is sparse grass and low shrubs and much of the area is dominated by non-native cheatgrass. Cheatgrass is an annual with shallow roots that are not effective at stabilizing soils. Reclamation in these areas is likely to be difficult and moderately successful due to the poor vegetation and soils.

Environmental Consequences of the Proposed Action: The drill site access roads will be two track primitive roads and in most cases will require only minimal dirt work to allow access. BLM road policy is that roads be designed to an appropriate standard that is not higher than what is needed to accommodate the use. This road standard is appropriate due to the drill rig proposed for use and the limited access that will be needed during exploration operations. The drilling pads will be less than 0.25 acres each of disturbance and will not likely need to have cut and fill slopes to achieve a flat drilling surface. Soil compaction due to drilling activities would reduce aeration, permeability, and water-holding capacities of soils on the access roads and the drilling sites. An increase in surface runoff could be expected from these areas and they are likely to be less resilient to erosion from surface runoff after disturbance. Two-track roads may concentrate surface runoff in some locations and lead to erosion.

Due to the lack of vegetation and poor soils in this area it is likely that the Proposed Action will result in localized erosion along access roads and drill sites. Soil productivity and stability will be reduced in areas where this occurs. This erosion will be similar to what has occurred in this area from current access roads and disturbance from casual use. Where this localized erosion occurs, best management practices described in the mitigation section should be employed to stabilize soils.

Environmental Consequences of the No Action Alternative: No disturbance would occur due to drill sites for coal exploration.

Mitigation: The following should be added as conditions of approval to mitigate localized erosion that is likely to occur and has been identified in the impact analysis:

1. All drilling activity shall cease when soils or road surfaces become saturated to a depth of three inches unless there are safety concerns or activities are otherwise approved by the Authorized Officer.

2. In order to protect rangeland health standards for soils, erosion features such as rilling, gullying, piping, and mass wasting on the surface disturbance or adjacent to the surface disturbance as a result of this action will be addressed immediately after observation by contacting the authorized officer and by submitting a plan to assure successful soil stabilization with best management practices to address erosion problems.

3. If salt is observed on the surface of soils during reclamation activities the authorized officer will be notified and a plan will be developed with approval of the BLM to improve reclamation on the site.

Finding on the Public Land Health Standard for upland soils: With mitigation this action is unlikely to reduce the productivity of soils impacted by surface disturbing activities.

WASTES, HAZARDOUS OR SOLID

Affected Environment: There are no known hazardous or other solid wastes on the subject lands. No hazardous materials are known to have been used, stored, or disposed of at sites included in the project area.

Environmental Consequences of the Proposed Action: The proposed activities will use regulated materials and will generate some solid and sanitary wastes. The potential for harm to human health or the environment is presented by risks associated with spills of fuel, oil, and/or hazardous substances during exploration operations. Accidents and mechanical breakdown of machinery are also possible.

Environmental Consequences of the No Action Alternative: No hazardous or other solid wastes would be generated under the No Action Alternative.

Mitigation:

1. All lessees and/or operators shall comply with all federal, state and/or local laws, rules, and regulations addressing the emission of and/or the handling, use, and release of any substance that poses a risk of harm to human health or the environment.

2. Through all phases of exploration operators shall employ, maintain, and periodically update to the best available technology(s).

3. Drilling fluid will be composed only of fresh water, bentonite, and/or a benign lost circulation material that does not pose a risk of harm to human health or the environment (e.g., cedar bark, shredded cane stalks, mineral fiber and hair, mica flakes, ground and sized limestone or marble, wood, nut hulls, corncobs, or cotton hulls).

4. All substances that pose a risk of harm to human health or the environment shall be stored in appropriate containers. Any fluids that pose a risk of harm to human health or the environment shall be stored in appropriate containers and in secondary containment systems at 110 percent of the largest vessel's capacity.

5. Where required by law or regulation to develop a plan for the prevention of releases or the recovery of a release of any substance that poses a risk of harm to human health or the environment, provide a current copy of said plan to the Bureau of Land Management's White River Field Office.

6. Construction sites and all facilities shall be maintained in a sanitary condition at all times; waste materials shall be disposed of promptly at an appropriate waste disposal site. "Waste" means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, oil

drums, petroleum products, ashes, and equipment.

7. As a reasonable and prudent operator acting in good faith, a lessee/operator shall report an emission or release that may pose a risk of harm to human health or the environment, including the substance's chemical composition, to the Bureau of Land Management's White River Field Office at (970) 878-3800.

8. As a reasonable and prudent lessee/operator acting in good faith, all lessees/operators shall provide for the immediate clean-up and testing of air, water (surface and/or ground) and soils contaminated by the emission or release of any substance that may pose a risk of harm to human health or the environment. Where the lessee/operator fails, refuses or neglects to provide for the immediate clean-up and testing of air, water (surface and/or ground) and soils contaminated by the emission or release of any quantity of a substance that poses a risk of harm to human health or the environment, the Bureau of Land Management's White River Field Office may take measures to clean-up and test air, water (surface and/or ground) and soils at the lessee/operator's expense. Such action will not relieve the lessee/operator of any liability or responsibility.

9. With the acceptance of this authorization, the commencement of operations under this authorization, or within thirty calendar days from the issuance of this authorization, whichever occurs first, the lessee/operator, and through the lessee/operator, its agents, employees, subcontractors, successors and assigns, stipulate and agree to indemnify, defend and hold harmless the United States Government, its agencies, and employees from all liability associated with the emission or release of substances that pose a risk of harm to human health or the environment.

WATER QUALITY, SURFACE AND GROUND (includes a finding on Standard 5)

Affected Environment: Surface Water: This project is in the headwaters of Red Wash, an ephemeral tributary to the White River. Table 2 describes water segments that may be impacted by this project.

Table 2. Water Quality Classification Table*

Segment	Segment Name	Use Protected	Protected Beneficial Uses			
			Aquatic Life	Recreation	Water Supply	Agriculture
12	Mainstem of the White River from Piceance Creek to Douglas Creek	No	Warm 1	Existing Primary Contact Recreation	Yes	Yes
13a	Tributaries to the White River from Piceance Creek to Douglas Creek	Yes	Warm 2	Not Primary Contact Recreation	No	Yes

* Colorado Department Of Public Health And Environment, Water Quality Control Commission, Regulation No. 37 Classifications and Numeric Standards For Lower Colorado River Basin, Effective June 30, 2011

Segment 13a is protected for warm water aquatic life (Warm 2). The warm designation means the classification standards would be protective of aquatic life normally found in waters where the summer weekly average temperatures frequently exceed 20 °C. The Warm 2 designation means that it has been determined that these waters are not capable of sustaining a wide variety of warm water biota. Segment 13a is use protected which means that the anti-degradation review requirements are not applicable. Anti-degradation reviews would be done before considering surface discharge permits. For those waters, only the protection specified in each reach would apply. Segment 12 is protected for warm water aquatic life (Warm 1) and the 1 designation means that these warm waters are capable of supporting warm water biota. This segment also has standards that are protective of recreation and agriculture but not water supply.

Environmental Consequences of the Proposed Action: Drilling activities associated with the Proposed Action would alter overland flow and natural groundwater recharge patterns in localized areas. Potential impacts include surface soil compaction caused by construction equipment and vehicles, which would likely reduce the soil's ability to absorb water and increase the volume and rate of surface runoff, which in turn would increase surface erosion.

Runoff associated with storm events may increase sediment/salt loads in surface waters down gradient of disturbed areas. Sediment can be deposited and stored in minor drainages where it would be moved into White River during heavy convection storms. Surface erosion for this project is most likely during drilling activities and erosion would be mitigated (See the Soils Section).

Environmental Consequences of the No Action Alternative: No surface disturbance to conduct exploration drilling would occur and therefore no impacts have been identified.

Mitigation: No additional mitigation beyond what is required in the Soils Section is needed.

Finding on the Public Land Health Standard for water quality: It is unlikely that drilling activities would result in an exceedence of state water quality standards.

WETLANDS AND RIPARIAN ZONES (includes a finding on Standard 2)

Affected Environment: There are no riparian or wetland resources within the project area. The nearest system which supports riparian vegetation is Stinking Water Creek which is greater than three miles from the project area.

Environmental Consequences of the Proposed Action: The Proposed Action would have no conceivable influence on riparian or wetland resources.

Environmental Consequences of the No Action Alternative: There would be no direct or indirect impacts to riparian resources under the No Action Alternative.

Mitigation: None.

Finding on the Public Land Health Standard for riparian systems: The Public Land Health Standards are not applicable as there are no wetlands or riparian resources within or adjacent to the project area.

VEGETATION (includes a finding on Standard 3)

Affected Environment: The proposed exploration will take place in the Rolling Loam, Clayey Slope, Alkaline Slope, and Semidesert Loam ecological sites. Table 3 shows the plant community appearance and predominant plant species associated with each of the ecological sites.

Table 3.

BLUE MOUNTAIN ENERGY COAL EXPLORATION LICENSE		
Ecological Site	**Plant Community Appearance**	**Predominant Plant Species in the Plant Community**
Rolling Loam	Sagebrush/Grass Shrubland	Wyoming Big Sagebrush, winterfat, low rabbitbrush, horsebrush, bitterbrush, western wheatgrass, Indian ricegrass, bottlebrush squirreltail, prairie junegrass, Nevada and sandberg bluegrass
Clayey Slope	Grassland	Salina wildrye, mutton grass, western wheatgrass, prairie junegrass, bottlebrush squirreltail, shadscale
Alkaline Slope	Sagebrush/Grass Shrubland	Wyoming Big Sagebrush, winterfat, low rabbitbrush, wheatgrasses, Indian ricegrass, bottlebrush squirreltail
Semidesert Loam	Grass/Sagebrush Shrubland	Needle and thread, western wheatgrass, galleta, sandberg bluegrass, bottlebrush squirreltail, Indian ricegrass, sand dropseed, Wyoming big sagebrush, fourwing saltbush, winterfat

From 1981 to 2006 there has been a decrease in canopy coverage of desirable cool-season perennial rhizomatous and bunch grasses. Cheatgrass (*Bromus tectorum*), which is an undesirable annual, has dramatically increased throughout the area, likely the result of excessive livestock use. The increase in cheatgrass has hampered previous reclamation/restoration efforts in the area. Previously, Deserado Mine has used a seed mix that has a combination of native and non-native perennial grasses and forbs. This mix does select more for non-native perennial such as crested wheatgrass (*Agropyron cristatum)* and Siberian wheatgrass (*Agropyron fragile*). Deserado Mine has had success establishing this mix, especially the non-natives, within heavily dominated cheatgrass areas.

Environmental Consequences of the Proposed Action: The Proposed Action will require the removal of vegetation on up to seven acres. Removal of vegetation and soils will provide opportunity for non-native and noxious weeds to establish on the site. Vegetation also acts as an anchor for soils to stop excess erosion, and provides forage for wildlife and livestock. Removal of soils could lead to excess loss of soils from the sites and there will be a slight loss in

vegetation for grazing wildlife and livestock. This loss will be minimal considering the overall size of the grazing allotment (Spooky Mountain 29,716 acres), and the small amount of disturbance (seven acres).

These exploration holes will be short-term, and as soon as drilling is done, reclamation will begin. Successful reclamation of the sites with a seed mix adapted to the area does have potential to increase vegetative cover of cool-season perennial grasses and forbs which will provide more forage for livestock and wildlife while better protecting soils.

Environmental Consequences of the No Action Alternative: No vegetation disturbance will take place.

Mitigation:
1. The following seed mix should be used on selected sites where cheatgrass does not appear to be a threat. These selected drill sites will be determined in coordination with BLM Prior to commencement of drill site.

Seed Mix 2

Common Name	Scientific Name	PLS lbs/acre	Variety
Thickspike wheatgrass	*Elymus lanceolatus*	3.0*	Critana
Western wheatgrass	*Pascopyrum smithii*	3.0	Rosanna
Beardless bluebunch	*Pseudoroegneria spicata ssp. Inermis*	1.0*	Whitmar
Bluebunch wheatgrass	*Pseudoroegneria spicata ssp. Spicata*	1.0*	Antone
Slender wheatgrass	*Elymus trachycaulus*	4.0	Pryor
Pubescent wheatgrass	*Elytrigia intermedia*	1.0	Luna
Great Basin wildrye	*Leymus cinereus*	1.0	Trailhead
Bottlebrush squirreltail	*Elymus elymoides*	2.0*	Toe Jam Creek
Indian ricegrass	*Achnatherum hymenoides*	2.0*	Rimrock
Sheep fescue	*Festuca ovian*	0.2	Covar
Prairie junegrass	*Koeleria macrantha*	0.2	
Canby bluegrass	*Poa canbyi*	0.2	Canbar
Sandberg bluegrass	*Poa sandbergii*	0.2	
Alkali sacaton	*Sporobolus airoides*	0.1	
Green needlegrass	*Nassella viridula*	0.5*	Lodorm
White yarrow	*Achillea millefolium*	0.1	Eagle Mountain
*Northern sweetvetch	*Hedysarum boreale*	1.0	
Lewis flax	*Linum lewisii*	0.4	

*Indicates Changes from Proposed Seed Mix 1
Note: Application rates should be doubled if broadcast.

2. Upon completion of seeding, copies of the seed tags will be turned in to the authorized officer.

3. Seeding will take place in the fall between September 15 and December 15 when conditions permit.

Finding on the Public Land Health Standard for plant and animal communities (partial, see also Wildlife, Aquatic and Wildlife, Terrestrial)*:*
Many areas within the project area are not meeting land health standards for the vegetation. Vegetation in most of the project area is dominated by cheatgrass, and other annual invasive weeds. Most areas of the project could see an improvement in the vegetative communities if reclamation is successful following the exploration.

INVASIVE, NON-NATIVE SPECIES

Affected Environment: Hoary cress (*Cardaria* draba) is a list B noxious weed on the Colorado noxious weed list. It is located in some dense isolated patches along the Red Wash drainage and along the White River. Cheatgrass (*Bromus tectorum*) and halogeton *(Halogeton glomeratus*) are annual invasive, non-natives that are highly competitive and dominate much of the understory within the project area. Both of these species are classified as list C species on the Colorado noxious weed list.

Environmental Consequences of the Proposed Action: Implementation of the Proposed Action would result in seven acres of new earthen disturbance. The new disturbance will create a pathway for weeds to establish or increase in density as a result of the project. Cheatgrass and halogeton readily invade areas of disturbance and can quickly become dominant in the vegetative community. Equipment used for the project can also act as a vector for weed seeds and propagules which could introduce new weeds to the project area. It is not anticipated that the Proposed Action will have any impact on hoary cress in the area. Most of the hoary cress is located approximately three miles to the east in the Red Wash drainage.

Prompt reclamation with an approved seed mix in conjunction with herbicide treatments will reduce the likelihood of weed establishment while allowing native rhizomatous and bunch grasses to establish. Hot dry summers along with extended periods of drought have hampered reclamation efforts in the past in the area. Establishment of cool-season bunch grasses and rhizomatous grasses is important to curtail the establishment of weeds.

Environmental Consequences of the No Action Alternative: No new disturbance would take place in the project area, and there would be no increase in the likelihood of new weeds to establish or existing weeds to increase in density.

Mitigation:
1. Equipment will be thoroughly washed before being brought onto and leaving BLM lands.

2. The use of herbicides will be done under the supervision of a United States Department of Agriculture (USDA) certified sprayer and an approved pesticide use proposal (PUP) on file at the WRFO.

3. The operator will be responsible for monitoring for and treating weeds that establish in the project area.

THREATENED, ENDANGERED, AND SENSITIVE PLANT SPECIES (includes a finding on Standard 4)

Affected Environment: There are no plant species listed, proposed, or candidate to the Endangered Species Act, nor plants considered sensitive by the BLM, that are known to inhabit areas potentially influenced by the Proposed Action.

Environmental Consequences of the Proposed Action: The Proposed Action will have no influence on special status species or associated habitats.

Environmental Consequences of the No Action Alternative: There would be no action authorized that would have potential to influence special status species or associated habitats.

Mitigation: None.

Finding on the Public Land Health Standard for Threatened & Endangered species: The Proposed Action and No Action Alternative would have no influence on populations or habitats of plants associated with the Endangered Species Act or BLM sensitive species and, as such, would have no influence on the status of applicable land health standards.

THREATENED, ENDANGERED, AND SENSITIVE ANIMAL SPECIES (includes a finding on Standard 4)

Affected Environment: The project area contains roughly 30 acres of mapped white-tailed prairie dog colonies. White-tailed prairie dogs, a BLM sensitive species, and their burrow systems provide important habitat for several BLM sensitive species including burrowing owl and ferruginous hawk as well as potential habitat for reintroduced populations of black-footed ferret.

Both burrowing owls and ferruginous hawks are uncommon in this Resource Area. Burrowing owls return to occupy a maintained burrow system in early April and begin nesting soon after. Most birds have left the area by September. The nearest known burrowing owl nest is approximately four miles from the project area.

Ferruginous hawks are extremely rare breeders in this Resource Area, with adults returning in February and nesting beginning in early April. Young are generally fledged by mid-July. There

are several historic (last known occupation late 1980's) within the project area. None have been verified active during recent survey efforts (2009 and 2011).

Under the auspices of a non-essential, experimental population rule, black-footed ferrets have been released in Coyote Basin (~17 miles southwest of the project area) and Wolf Creek (~7 miles east of the project area) since 1999 and 2001, respectively. The rule applies to any ferrets that may occupy or eventually be released in northwest Colorado and northeast Utah. Ferrets are wholly reliant on prairie dogs for food and shelter. Ferret breeding activities begin in early March, with birthing beginning in early May. Young ferrets generally begin to emerge by mid-July. The prairie dog colonies in the vicinity of the project area are sparsely populated and too discontinuous to support ferrets. There have been no verified sightings of ferrets, nor any known reproduction occurring in within roughly 15 miles of the project area.

The project area lies in the overall range of the greater-sage grouse, a BLM sensitive species and candidate for listing under the Endangered Species Act. This species is associated with sagebrush communities having generally well intact understories. Historically, grouse were common throughout the area, but due likely to understory conversion from perennial bunchgrass communities to communities more dominated by annuals (i.e., cheatgrass), numbers have been greatly reduced. Current use is sporadic at best and confined mainly to the winter months. There is one inactive lek within four miles of the project area. The nearest known active lek is approximately 10 mile from the project area.

Brewer's sparrow, a BLM sensitive species, is common throughout the project area where appropriate habitat exists (i.e., sagebrush communities). This species typically returns in late-April and May and begins nesting in earnest in the latter part of May. Young are fledged by mid to late July.

Environmental Consequences of the Proposed Action: The Proposed Action would remove roughly seven acres of sage-steppe and salt desert communities which, under natural succession regimes would take 15-30 years to return to preconstruction conditions following reclamation. This project is not anticipated to have any conceivable influence on white-tailed prairie dog, black-footed ferret, burrowing owl, or greater sage-grouse due to limited or no occupation by these species in the project area.

The Proposed Action is not expected to have substantive influence on ferruginous hawks due to the low probability of nesting birds in the area. As proposed, work is scheduled to occur outside the nesting season and would not involve habitat considered important for nesting purposes (i.e., pinyon or juniper trees). Noise (traffic, machinery) and human activity may potentially displace nesting birds should construction or drilling activities be delayed or extend into the breeding season. A raptor survey (nest recheck) will be required at the wells 5, 6, and A 1 – 4 should development activities occur during the courtship or nesting season (February 1 – August 13).

Discussion for Brewer's sparrow is integral with Migratory Bird section.

Environmental Consequences of the No Action Alternative: There would be no direct or indirect impacts to threatened, endangered, and sensitive animal species or associated habitats under the No Action Alternative.

Mitigation:
1. The proponent shall notify BLM biologists prior to construction or drilling activities at wells 5, 6 and A 1 – 4 to determine if construction/drilling timeframes may potentially influence nesting activities.

2. A raptor survey will be required if activities (construction, drilling etc.) are scheduled to take place during the ferruginous hawk nesting season (generally February 1 – August 15). Should an active nest be located, appropriate timing stipulations would apply.

Finding on the Public Land Health Standard for Threatened & Endangered species: In general, the project area meets the land health standards for special status animal species on a landscape scale. There are however inclusions of annual dominated areas that cannot be considered to be meeting land health standards. The Proposed Action and No Action Alternative are not anticipated to have any substantive influence on special status animal populations nor would they further detract from the continued meeting of the land health standards. As conditioned by reclamation-related provisions, implementation of the Proposed Action would not lead to further degradation of habitats important to special status species.

MIGRATORY BIRDS

Affected Environment: The project area is encompassed by big sagebrush and salt desert communities with scattered juniper dominated ridges. The understory is comprised of perennial grasses such as Indian ricegrass, squirreltail, and needle and thread along the ridgelines with a strong cheatgrass component in the valley bottoms.

Bird species associated with the sage-steppe community include (but are not limited to): western meadowlark, horned lark, sage thrasher, sage sparrow, northern shrike, lark sparrow, Vesper sparrow, and northern mockingbird. Bewick's wren, house finch, juniper titmouse, blue-gray gnatcatcher, and gray flycatcher are common throughout the woodland types. Birds of conservation concern (designated regionally by the US Fish and Wildlife Service (FWS) for long-term declining population trends) are limited to juniper titmouse, Brewer's sparrow, and burrowing owl.

These species generally return to the area in mid-April to early-May and begin nesting in earnest from mid-May through mid to late-July.

Environmental Consequences of the Proposed Action: The Proposed Action would remove approximately five acres of sage-steppe and salt desert community types. These communities would take anywhere from 15-30 years to return to preconstruction conditions following reclamation. Construction outside of the breeding/nesting season would have no direct impact on migratory bird nesting success, however there may be indirect impacts associated with

pad development and drilling (see discussion below). Should pad construction (vegetation removal) take place during the migratory bird nesting season (generally May 15 – July 15), there would be a greater chance of displacement of birds, nest abandonment, and potential mortality (mainly of nestlings).

As proposed, construction and drilling activities are scheduled to take place during the fall months and would likely be completed prior to the 2012 nesting season. If drilling activities were to take extend into the nesting season there may be potential to indirectly impact up to an additional 70 acres of forage and cover resources due to reductions in nest densities and avoidance of habitats associated with increased human activity, vehicle traffic, and construction activities. It should be noted however, that many of the proposed locations are located in the valley bottoms which typically contain a strong cheatgrass component. These annual dominated sites do not provide the structural component (both vertically and horizontally) that offers optimal concealment and/or forage resources for nesting birds and as such, nest densities are likely currently suppressed to a certain degree. Based on breeding bird density in the project area (1 nesting pair per 3 acres), the Proposed Action has the potential to displace 9-15 nesting pairs, which likely would be more generalized species, but may include some species of higher concern.

Environmental Consequences of the No Action Alternative: There would be no direct or indirect impacts to migratory birds or associated habitats under the No Action Alternative.

Mitigation:
1. Pad construction (vegetation clearing) will take place outside the migratory bird breeding period of May 15 – July 15 to avoid unnecessary disturbance to nesting birds.

WILDLIFE, AQUATIC (includes a finding on Standard 3)

Affected Environment: There are no aquatic systems within the project area. The nearest system which supports higher order aquatic vertebrate populations is the White River which is separated from the project area by nearly seven miles.

Environmental Consequences of the Proposed Action: The Proposed Action would have no conceivable influence on aquatic species or associated habitats.

Environmental Consequences of the No Action Alternative: There would be no direct or indirect impacts to aquatic species or associated habitats under the No Action Alternative.

Mitigation: None.

Finding on the Public Land Health Standard for plant and animal communities (partial, see also Vegetation and Wildlife, Terrestrial): The Public Land Health Standards are not applicable as there are no aquatic resources within or adjacent to the project area. Neither the Proposed Action nor No Action Alternative would have any reasonable potential to influence the function or condition of the White River or its aquatic habitat values.

WILDLIFE, TERRESTRIAL (includes a finding on Standard 3)

Affected Environment: The lower elevation sage-steppe and salt desert communities that encompass the project area are categorized by Colorado Parks and Wildlife (CPAW) as mule deer severe winter range - a specialized component of winter range that supports virtually all an area's deer during the most severe winters (i.e., extreme cold and heavy snowfall). These ranges receive heaviest use during the late-winter and early-spring.

See discussion on burrowing owl and ferruginous hawk in Threatened, Endangered, and Sensitive Animal Species section. Species such as golden eagle and red-tailed hawk may opportunistically forage throughout the project area however there are no known nests within or immediately adjacent to the project area.

Small mammal populations are poorly documented however, recent BLM and CPAW surveys found all shrub-steppe communities in this Field Office dominated by deer mouse and least chipmunk. The remaining species that are likely to occur in this area (e.g., montane and sagebrush vole) are less common, but display broad ecological tolerance and are widely distributed throughout the region. No narrowly distributed or highly specialized species or subspecific populations are known to inhabit this area.

Environmental Consequences of the Proposed Action: The Proposed Action would remove approximately five acres of Wyoming big sagebrush and salt desert community types. Under natural succession regimes these communities would take approximately 15-30 years to return to preconstruction conditions following reclamation. The lower elevation sage-steppe habitats provide important forage resources for big game during the winter months. Activities associated with well development may potentially have behavioral influences (e.g., avoidance of areas) on local big game populations should they take place during this period. The project area is located in mule deer severe winter range and as such would be subject to White River ROD/RMP timing limitations designed to limit disturbance during the core period of occupation (January 1 – April 30). Access roads associated with well pad development are not expected to contribute greatly to road densities in the area due to the minimal amount of surface disturbance.

See discussion on raptors in Threatened, Endangered, and Sensitive Animal Species section.

Environmental Consequences of the No Action Alternative: There would be no direct or indirect influence on terrestrial wildlife or associated habitats under the No Action Alternative.

Mitigation:
1. No activities (construction, drilling, etc.) are allowed from January 1 – April 30 to avoid unnecessary disturbance to mule deer during the critical winter period.

See mitigation regarding raptors in Threatened, Endangered, and Sensitive Animal Species section.

Finding on the Public Land Health Standard for plant and animal communities (partial, see also Vegetation and Wildlife, Aquatic): Degraded (i.e., cheatgrass) inclusion, confined mainly to the

valley bottoms, occur throughout the project area, however, the project area meets the land health standards on a landscape scale. As conditioned by reclamation-related provisions, implementation of the Proposed Action would not lead to further degredation.

WILD HORSES

Affected Environment: The Proposed Action is not located within a designated wild horse management area.

Environmental Consequences of the Proposed Action: The Proposed Action would have no impacts on the wild horse management area.

Environmental Consequences of the No Action Alternative: None.

Mitigation: None.

CULTURAL RESOURCES

Affected Environment: The proposed exploration drill holes and access routes have been inventoried at the Class III (100 percent pedestrian) level (Conner et al 2001 compliance dated 7/20/2011). The inventory failed to relocate a previously recorded site and identified one new, previously unknown site. The new site is located within one of the ten acre blocks surveyed for each drill hole location. The new site appears to have potential for buried remains and could be National Register of Historic Places (NRHP) eligible.

Environmental Consequences of the Proposed Action: The Proposed Action has been redesigned to avoid the newly recorded site by 328 feet (100 meters). The previously recorded site that could not be relocated was more than 328 feet (100 meters) from any proposed core hole locations. The proposed drill hole locations and access roads will not adversely impact any known cultural resources.

Environmental Consequences of the No Action Alternative: There would be no new impacts to cultural resources under the No Action Alternative.

Mitigation:
1. The operator is responsible for informing all persons who are associated with the project that they will be subject to prosecution for knowingly disturbing archaeological sites or for collecting artifacts.

2. If any archaeological materials are discovered as a result of operations under this authorization, activity in the vicinity of the discovery will cease, and the BLM WRFO Archaeologist will be notified immediately. Work may not resume at that location until approved by the AO. The operator will make every effort to protect the site from further impacts including looting, erosion, or other human or natural damage until BLM determines a treatment approach,

and the treatment is completed. Unless previously determined in treatment plans or agreements, BLM will evaluate the cultural resources and, in consultation with the State Historic Preservation Office (SHPO), select the appropriate mitigation option within 48 hours of the discovery. The operator, under guidance of the BLM, will implement the mitigation in a timely manner. The process will be fully documented in reports, site forms, maps, drawings, and photographs. The BLM will forward documentation to the SHPO for review and concurrence.

3. Pursuant to 43 CFR 10.4(g) the holder of this authorization must notify the AO, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4(c) and (d), you must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the authorized officer.

PALEONTOLOGY

Affected Environment: The proposed core hole locations and access roads are located in an area generally mapped as the Mesa Verde Formation (Tweto 1979). The BLM WRFO has classified the Mesa Verde as a PFYC 4/5 formation meaning it is known to produce scientifically noteworthy fossil resources (c.f. Armstrong and Wolny 1989).

Environmental Consequences of the Proposed Action: If it becomes necessary to excavate into the underlying sedimentary rock formation to provide access to the core hole locations or to level a pad for the drilling rig there is a potential to impact scientifically noteworthy fossil resources.

Environmental Consequences of the No Action Alternative: There would be no new impacts to fossil resources under the No Action Alternative.

Mitigation:
1. The operator is responsible for informing all persons who are associated with the project operations that they will be subject to prosecution for disturbing or collecting vertebrate fossils, collecting large amounts of petrified wood (over 25lbs./day, up to 250lbs./year), or collecting fossils for commercial purposes on public lands.

2. If any paleontological resources are discovered as a result of operations under this authorization, the operator or any of his agents must stop work immediately at that site, immediately contact the BLM Paleontology Coordinator, and make every effort to protect the site from further impacts, including looting, erosion, or other human or natural damage. Work may not resume at that location until approved by the AO. The BLM or designated paleontologist will evaluate the discovery and take action to protect or remove the resource within 10 working days. Within 10 days, the operator will be allowed to continue construction through the site, or will be given the choice of either (a) following the Paleontology Coordinator's instructions for stabilizing the fossil resource in place and avoiding further disturbance to the fossil resource, or (b) following the Paleontology Coordinator's instructions

for mitigating impacts to the fossil resource prior to continuing construction through the project area.

3. If it becomes necessary to excavate into the underlying sedimentary rock formation to construct the access or level a pad for the drill rig a paleontological monitor shall be present before and during all such excavations.

ELEMENTS NOT PRESENT OR NOT AFFECTED:

No flood plains or prime and unique farmlands exist within the area affected by the Proposed Action. There are also no known Native American religious or environmental justice concerns associated with the Proposed Action.

OTHER ELEMENTS: For the following elements, only those brought forward for analysis will be addressed further.

Other Element	NA or Not Present	Applicable or Present, Not Brought Forward for Analysis	Applicable & Present and Brought Forward for Analysis
Visual Resources			X
Fire Management			X
Forest Management			X
Hydrology/Water Rights		X	
Rangeland Management			X
Realty Authorizations			X
Recreation		X	
Access and Transportation			X
Geology and Minerals			X
Areas of Critical Environmental Concern	X		
Wilderness	X		
Wild and Scenic Rivers	X		
Cadastral	X		
Socio-Economics	X		
Law Enforcement	X		

VISUAL RESOURCES

Affected Environment: The Proposed Action is located within a Visual Resource Management (VRM) Class III area. The objective of the VRM Class III is to partially retain the existing character of the landscape. The level of change to the characteristic landscape could be moderate. Management activities may attract attention but should not dominate the view of the casual observer. Changes should repeat the basic elements found in the predominant natural features of the characteristic landscape.

Environmental Consequences of the Proposed Action: Due to the nature of the Proposed Action, vegetation will be disturbed or removed from the drill locations and new access roads. The contrast between the disturbed surfaces and the surrounding vegetation may attract the attention of casual observers on the surrounding road network, however these are anticipated to be low. Post-drilling, all disturbed areas, including access roads constructed for the drill site, would be immediately reclaimed. Once the disturbed areas are reclaimed/revegetated, the level of change to the landscape would be low, thus the objectives of the VRM III classification would be retained.

Environmental Consequences of the No Action Alternative: Under this alternative, there would be no exploration activities that would be in contrast with the surrounding area and no undue attention will be drawn by the casual observer.

Mitigation: See Vegetation section.

FIRE MANAGEMENT

Affected Environment: The proposed pipeline is within both the B3 Salt Desert Shrub and C2 Spooky Mountain Fire Management polygons. The vegetation within the B3 polygon is a mix of salt desert shrubs, greasewood, and Wyoming big sagebrush. The vegetation within the C2 polygon consists of juniper woodlands and Wyoming big sagebrush. Resource management objectives for the B3 polygon are to 1) minimize a fire induced conversion of native plant communities to cheatgrass or other non-native plant communities and 2) maintain extent and distribution of low (<3 ft.) forms of sagebrush types, as high density sage-grouse winter use habitat. Resource management objectives within the C2 polygon are to 1) protect Deserado Coal Mine, conveyor belt, and railroad when threatened by public land fires and 2) manage naturally ignited wildfires up to 100 acres in size in juniper and 200 acres in size in sagebrush throughout the unit to promote a vegetation mosaic.

Fires in the vicinity of the Proposed Action are historically caused by lightning and typically range in size from 0.1 to 10 acres. Recent large fires in the vicinity are the "Deserado" fire of 2000 (30 acres), the "Deserado" fire of 2005 (26 acres), and the "78" fire of 2006 (74 acres).

Environmental Consequences of the Proposed Action: Due to the presence of sagebrush and juniper woodlands there will be a need for the operator to clear the existing vegetation. If not adequately treated, the woody debris and slash associated with clearing will result in elevated hazardous fuels conditions and remain on-site for many years. Vegetation removal and soil disturbance could provide an opportunity for noxious weeds and cheatgrass to establish or expand in the area, which would increase fuel loads. These accumulations of dead material are very receptive to fire brands and spotting from wind driven fires and can greatly accelerate the rate of spread of the fire front. New roads associated with this project may be used by the general public for a variety of uses, including access for fire wood gathering, hunting, and other dispersed recreational activities. Public use of the area could likely result in an increased potential for man-caused wildland fires. If not treated the remnant sagebrush slash and woody debris will create an elevated hazardous dead fuel loading which could pose significant control

problems in the event of a wildfire. Additionally there would be greater threat to the public, industry personnel, and responding fire suppression personnel.

The National Fire Plan calls for "firefighter and public safety" to be the highest priority for all fire management activities. During the construction process associated with the Proposed Action, fire management may have little choice but to suppress all fires within close proximity to the project area. This aggressive fire suppression response will prevent fire from playing a natural role in creating a vegetation mosaic, specifically within the C2 polygon wherein a naturally ignited wildland fire could be managed for multiple resource objectives.

Environmental Consequences of the No Action Alternative: There would be no clearing of the existing trees and brush and no increase in dead fuel loading susceptible to fire.

Mitigation:

1. When working on lands administered by the BLM WRFO, notify Craig Interagency Dispatch (970-826-5037) in the event of any fire.
    a) The reporting party will inform the dispatch center of fire location, size, status, smoke color, aspect, fuel type, and provide their contact information.
    b) The reporting party, or a representative of, should remain nearby, in a safe location, in order to make contact with incoming fire resources to expedite actions taken towards an appropriate management response.
    c) The applicant and contractors will not engage in any fire suppression activities outside the approved project area. Accidental ignitions caused by welding, cutting, grinding, etc. will be suppressed by the applicant only if employee safety is not endangered and if the fire can be safely contained using hand tools and portable hand pumps. If chemical fire extinguishers are used the applicant must notify incoming fire resources on extinguisher type and the location of use.
    d) Natural ignitions caused by lightning will be managed by Federal fire personnel. If a natural ignition occurs within the approved project area, the fire may be initially contained by the applicant only if employee safety is not endangered. The use of heavy equipment for fire suppression is prohibited, unless authorized by the Field Office Manager.

See Forest Management Section below for direction on removal of woody material.

FOREST MANAGEMENT

Affected Environment: The Proposed Action is located within varying stand classes of juniper woodland as defined by a survey performed by WRFO personnel from 2003-2005. Productive exposure types occur on primarily lower gradient slopes and north and east aspects. Growth rates are higher in these areas due to soil features which allow for effective use of precipitation. This habitat type is further broken down based on the age class of the stand. In this case the affected stands are both mature and young. Mature juniper trees on productive exposure establish themselves as the dominant plant community on the site. Mature stands are valuable locally as a source of fire wood and posts for fence construction.

Environmental Consequences of the Proposed Action: The Proposed Action has identified access routes that would traverse small stands of mature juniper. The proposal is to minimize surface disturbance by overland driving and not construct a road. There may be a need to limb trees for safe passage of the equipment. It is unknown if a tree would need to be removed for passage of the equipment.

Environmental Consequences of the No Action Alternative: There would be no disturbance in relation to the coal exploration drilling and access.

Mitigation:
1. BME will report all trees limbed or removed for the improvement of access to the WRFO Forester. The Forester will then inspect the site and measure trees to determine the actual volume of trees impacted. BME will be billed for the actual volume of woody material disturbed in accordance with the White River RMP/ROD.

RANGELAND MANAGEMENT

Affected Environment: The proposed wells and access roads are located entirely within the Spooky Mountain (06316) grazing allotment. This allotment is permitted to Cross Mountain Ranch for winter sheep use. Permitted use for this allotment is outlined in Table 4 below.

Table 4: Permitted Livestock use for the Spooky Mountain Grazing Allotment

ALLOTMENT		LIVESTOCK		GRAZING PERIOD				
Number	**Name**	**Kind**	**Number**	**Begin**	**End**	**% PL**	**Type Use**	**AUMs**
06316	Spooky Mountain	Sheep	2500	11/20	2/28	96	Active	1594
06316	Spooky Mountain	Sheep	2500	3/1	4/10	96	Active	647

Environmental Consequences of the Proposed Action: Implementation of the Proposed Action will disturb seven acres of forage for livestock. This amount of disturbance is estimated to be less than one Animal Unit Per Month (AUM) within the allotment. This individual project will not require a reduction in livestock use because the size of the project is small compared to the size of the entire allotment (29,716 acres). While this one project may not impact forage allocation on the allotment, cumulative impacts from past, present, and future projects related to coal mining operations may result in a reduction in forage allocation within the allotment.

There is also a potential for conflict between vehicle traffic and livestock during drilling operations. Increased traffic from trucks and heavy equipment could result in collisions that could kill livestock or cause traffic accidents while vehicles are trying to evade free-range livestock. There are also range improvements used to manage livestock within the project area. One access road crosses through an existing pasture fence within the allotment.

Environmental Consequences of the No Action Alternative: There will be no impact to range management within the allotment.

Mitigation:
1. Any range improvement impacted during implementation of this project will be restored to proper functioning condition upon completion of the project.

2. Temporary fencing will be used to keep livestock from falling into any open pits during the permitted use.

3. Where access roads go through existing pasture fences, wire gates will be installed to allow future vehicle access while maintaining the integrity of the fence.

ACCESS AND TRANSPORTATION

Affected Environment: The access to the Proposed Action would be via County Road 61 off of U.S. Hwy 40 in the north, or via County Road 65 off of State Hwy 64 in the south. U.S. Highway 40 and State Highway 64 are primary travel routes in the region and receive moderate to heavy amounts of traffic. Both County Roads 65 and 61 are natural surfaced and accommodate moderate amounts of traffic mainly associated with various on-going coal mining activities in the area. Other primary uses of these roads include traffic associated with dispersed recreation, primarily hunting, camping, and off highway vehicle (OHV) use.

Environmental Consequences of the Proposed Action: A minor increase in traffic along County Roads 65 and 64 would be expected during the exploration activities, with increases concentrated during drilling. An increase of traffic during dry periods is likely to result in an increase in fugitive dust. An increase in traffic during sensitive wildlife use periods may negatively impact wildlife resources. These impacts are discussed in further detail in the *Wildlife, Terrestrial* section. The access roads to the wells do not penetrate roadless areas and would not create public access in previously inaccessible areas. It is unlikely that the project area would experience greatly increased levels of traffic by the public as a result of the Proposed Action.

Environmental Consequences of the No Action Alternative: There would be no increase in traffic associated with the Proposed Action.

Mitigation: See Vegetation section.

REALTY AUTHORIZATIONS

Affected Environment: Existing rights-of-way (ROW) are Rocky Mountain Pipeline System COD053725 for a natural gas pipeline and Moon Lake Electric Association COC37742 for a power line.

Environmental Consequences of the Proposed Action: Current use of access roads should not have any impacts to or from the Proposed Action. To avoid impacts to existing rights-of-way, the proponent should notify Rocky Mountain Pipeline System and Moon Lake Electric Association prior to starting activities.

Environmental Consequences of the No Action Alternative: None.

Mitigation:
1. All activities shall comply with all applicable local, State, and Federal laws, statutes, regulations, standards, and implementation plans. This includes acquiring all required State and/or local permits, effectively coordinating with existing facility ROW holders, and implementing all applicable mitigation measures required by each permit.

GEOLOGY AND MINERALS

Affected Environment: The proposed area lies in the White River Basin which is the eastern part of the larger Uinta Basin that extends from northwestern Colorado into eastern Utah and is located on the southwest flank of the asymmetrical Red Wash Syncline. The axis of the syncline trends northwest/southeast and plunges to the southeast towards the synclinal structure of the Piceance Basin. Strike within the area is to the northwest, dipping 7½ degrees to the northeast. As the synclinal axis is approached the dips becomes nearly horizontal. North of the synclinal axis, dip reverses steeply to the southwest forming the east/west trending Coal Ridge.

Within northwestern Colorado, the Mesaverde Group has been divided into the Iles Formation, the lower Williams Fork Formation, and the upper Williams Fork Formation. The lower Williams Fork Member contains coal seams identified as seams B through J. Deserado Mine's current mining operations are in the B coal seam located in the Lower Williams Fork Formation of the Mesaverde Group.

Environmental Consequences of the Proposed Action: Geologic information of the underlying coal seams would be obtained which would provide information necessary for the maximum economic recovery of the underground coal resources.

Environmental Consequences of the No Action Alternative: Geologic information of the underlying coal seams would not be obtained and the maximum economic recovery of the coal resources may not occur.

Mitigation: None.

CUMULATIVE IMPACTS SUMMARY: Past and present actions in the Scullion Gulch and Red Wash watershed area include coal mining, oil and gas development (five drilled and abandoned oil and gas wells and one abandoned location), ranching, recreation, wildfire, and dispersed rural residential development. Past coal mining in the area includes the Stalely mine (predecessor of the underground Deserado Mine). Historically, the surface has also been and

continues to be ranched; the area also supports wildlife. Foreseeable future actions include mining at the Deserado Mine, future leasing of Federal coal, oil and gas development continued ranching activities, and continued dispersed residential development. Cumulative effects from the Proposed Action with the inclusion of past, present or reasonable foreseeable future actions would not exceed what is analyzed in the White River ROD/RMP due to the limited areal extent and short duration of proposed coal exploration license.

BLM does not issue a lease for federal coal by authorizing a coal exploration license. Exploration activities provide the proponent with information to determine whether adequate coal quality and reserves are present. If the results of the exploration activities reveal that it is feasible to mine the coal, the applicant may apply for a coal lease. Coal lease issuance requires a separate NEPA analysis which would analyze the effects of coal extraction.

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PERSONS / AGENCIES CONSULTED: Colorado State Historical Preservation Office (SHPO)

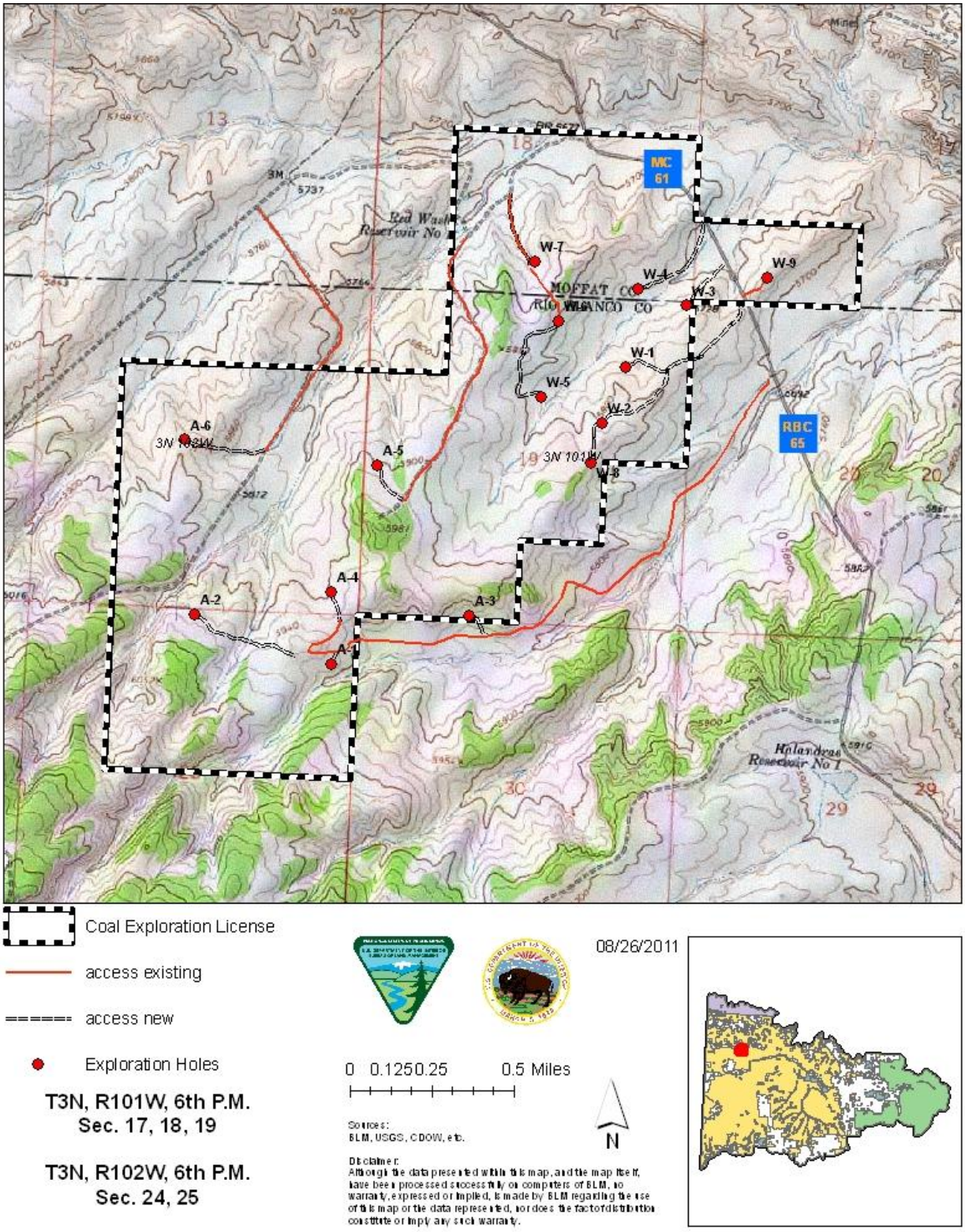
INTERDISCIPLINARY REVIEW: The Proposed Action was presented to, and reviewed by the White River Field Office interdisciplinary team on 2/24/2011.

Name	Title	Area of Responsibility	Date Signed
Bob Lange	Hydrologist	Air Quality, Water Quality (Surface and Ground), Hydrology and Water Rights, and Soils	8/12/2011
Zoe Miller	Botanist	Areas of Critical Environmental Concern, Threatened and Endangered Plant Species	7/6/2011
Michael Selle	Archaeologist	Cultural Resources, Paleontological Resources	7/20/2011
Matthew Dupire	Rangeland Management Specialist	Invasive, Non-Native Species, Vegetation , Rangeland Management	8/2/2011
Lisa Belmonte	Wildlife Biologist	Migratory Birds, Threatened, Endangered and Sensitive Animal Species, Terrestrial and Aquatic Wildlife, Wetlands and Riparian Zones	7/19/2011
Christina Barlow	Natural Resource Specialist/HazMat Coordinator	Wastes, Hazardous or Solid	7/1/2011
Chad Schneckenburger	Outdoor Recreation Planner	Wilderness, Access and Transportation, Recreation,	7/26/2011
Jim Michels	Supervisory Natural Resource Specialist / Forester	Forest Management	6/22/2011
Garner Harris	Zone Fire Management Officer	Fire Management	5/27/2011
Paul Daggett	Mining Engineer	Geology and Minerals	8/2/2011
Linda Jones/Stacey Burke	Realty Specialist	Realty Authorizations	7/29/2011
Chad Schneckenburger	Outdoor Recreation Planner	Visual Resources	7/26/2011
Melissa J. Kindall	Range Technician	Wild Horses	7/5/2011

ATTACHMENTS:

Figure 1: Map of Blue Mountain Energy Coal Exploration License

Figure 1: Map of Blue Mountain Energy Coal Exploration License



U.S. Department of the Interior
Bureau of Land Management
White River Field Office
220 E Market St
Meeker, CO 81641

Finding of No Significant Impact (FONSI)

DOI-BLM-CO-110-2011-0080-EA

BACKGROUND

Blue Mountain Energy applied for a coal exploration license allowing the drilling of up to 15 exploration holes involving up to 7.0 acres of new disturbance. Exploration drilling would delineated the extent of mineable coal resource for the existing Deserado Mine and would comply with the BLM's statutory obligations as outlined in 43 CFR § 3410.

FINDING OF NO SIGNIFICANT IMPACT (FONSI)/RATIONALE: Based on the analysis of potential environmental impacts contained in the EA and all other available information, the Proposed Action is not a major federal action and will not have a significant effect on the quality of the human environment, individually or cumulatively with other actions in the general area. No environmental effects meet the definition of significance in context or intensity, as defined at 40 CFR 1508.27 and do not exceed those effects as described in the White River Resource Area Proposed Resource Management Plan and Final Environmental Impact Statement (1996). Therefore, an environmental impact statement is not required. This finding is based on the context and intensity of the project as described below.

Context

The project is a site-specific action directly involving BLM administered public lands that do not in and of itself have international, national, regional, or state-wide importance.

Intensity

The following discussion is organized around the 10 Significance Criteria described at 40 CFR 1508.27. The following have been considered in evaluating intensity for this Proposed Action:

1. Beneficial, adverse, direct, indirect, and cumulative environmental impacts have been disclosed in the EA. Analysis indicated no significant impacts on society as a whole, the affected region, the affected interests or the locality. The physical and biological effects are limited to the White River Resource Area and adjacent land.

2. Public health and safety would not be adversely impacted. There are no known or anticipated concerns with project waste or hazardous materials.

3. There would be no adverse impacts to regional or local air quality, prime or unique farmlands, known paleontological resources on public land within the area, wetlands, floodplain, areas with unique characteristics, ecologically critical areas or designated Areas of Critical Environmental Concern.

4. There are no highly controversial effects on the environment.

5. There are no effects that are highly uncertain or involve unique or unknown risk. Sufficient information on risk is available based on information in the EA and other past actions of a similar nature.

6. This alternative does not set a precedent for other actions that may be implemented in the future to meet the goals and objectives of adopted Federal, State or local natural resource related plans, policies or programs.

7. No cumulative impacts related to other actions that would have a significant adverse impact were identified or are anticipated.

8. Based on previous and ongoing cultural surveys, and through mitigation by avoidance, no adverse impacts to cultural resources were identified or anticipated. There are no known American Indian religious concerns or persons or groups who might be disproportionately and adversely affected as anticipated by the Environmental Justice Policy.

9. No adverse impacts to any threatened or endangered species or their habitat that was determined to be critical under the Endangered Species Act were identified. If, at a future time, there could be the potential for adverse impacts, treatments would be modified or mitigated not to have an adverse effect or new analysis would be conducted.

10. This alternative is in compliance with relevant Federal, State, and local laws, regulations, and requirements for the protection of the environment.

SIGNATURE OF AUTHORIZED OFFICIAL: Lot M M.

Acting Field Manager

DATE SIGNED: 10/6/11

U.S. Department of the Interior
Bureau of Land Management
White River Field Office
220 E Market St
Meeker, CO 81641

DECISION RECORD

PROJECT NAME: Blue Mountain Energy Coal Exploration License

ENVIRONMENTAL ASSESSMENT NUMBER: DOI-BLM-CO-2011-0080-EA

DECISION

It is my decision to implement the Proposed Action, as mitigated in DOI-BLM-CO-2011-0080-EA and listed below, authorizing Blue Mountain Energy's coal exploration license COC74817.

MITIGATION MEASURES:

1. All drilling activity shall cease when soils or road surfaces become saturated to a depth of three inches unless there are safety concerns or activities are otherwise approved by the Authorized Officer.

2. In order to protect rangeland health standards for soils, erosion features such as rilling, gullying, piping and mass wasting on the surface disturbance or adjacent to the surface disturbance as a result of this action will be addressed immediately after observation by contacting the authorized officer and by submitting a plan to assure successful soil stabilization with best management practices to address erosion problems.

3. If salt is observed on the surface of soils during reclamation activities the authorized officer will be notified and a plan will be developed with approval of the BLM to improve reclamation on the site.

4. All lessees and/or operators shall comply with all federal, state and/or local laws, rules, and regulations addressing the emission of and/or the handling, use, and release of any substance that poses a risk of harm to human health or the environment.

5. Through all phases of exploration, all operators shall employ, maintain, and periodically update to the best available technology(s).

6. Drilling fluid will be composed only of fresh water, bentonite, and/or a benign lost circulation material that does not pose a risk of harm to human health or the environment (e.g., cedar bark, shredded cane stalks, mineral fiber and hair, mica flakes, ground and sized limestone or marble, wood, nut hulls, corncobs, or cotton hulls).

7. All substances that pose a risk of harm to human health or the environment shall be stored in appropriate containers. Any fluids that pose a risk of harm to human health or the environment shall be stored in appropriate containers and in secondary containment systems at 110% of the largest vessel's capacity.

8. Where required by law or regulation to develop a plan for the prevention of releases or the recovery of a release of any substance that poses a risk of harm to human health or the environment, provide a current copy of said plan to the Bureau of Land Management's White River Field Office.
9. Construction sites and all facilities shall be maintained in a sanitary condition at all times; waste materials shall be disposed of promptly at an appropriate waste disposal site. "Waste" means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, oil drums, petroleum products, ashes, and equipment.
10. As a reasonable and prudent operator acting in good faith, a lessee/operator shall report an emission or release that may pose a risk of harm to human health or the environment, including the substance's chemical composition, to the Bureau of Land Management's White River Field Office at (970) 878-3800.
11. As a reasonable and prudent lessee/operator acting in good faith, all lessees/operators shall provide for the immediate clean-up and testing of air, water (surface and/or ground) and soils contaminated by the emission or release of any substance that may pose a risk of harm to human health or the environment. Where the lessee/operator fails, refuses or neglects to provide for the immediate clean-up and testing of air, water (surface and/or ground) and soils contaminated by the emission or release of any quantity of a substance that poses a risk of harm to human health or the environment, the Bureau of Land Management's White River Field Office may take measures to clean-up and test air, water (surface and/or ground) and soils at the lessee/operator's expense. Such action will not relieve the lessee/operator of any liability or responsibility.
12. With the acceptance of this authorization, the commencement of operations under this authorization, or within thirty calendar days from the issuance of this authorization, whichever occurs first, the lessee/operator, and through the lessee/operator, its agents, employees,
13. Subcontractors, successors and assigns, stipulate and agree to indemnify, defend and hold harmless the United States Government, its agencies, and employees from all liability associated with the emission or release of substances that pose a risk of harm to human health or the environment.

14. The following seed mix should be used on selected sites where cheatgrass does not appear to be a threat. These selected drill sites will be determined in coordination with BLM Prior to commencement of drill site.

Seed Mix 2

Common Name	Scientific Name	PLS lbs/acre	Variety
Thickspike wheatgrass	*Elymus lanceolatus*	3.0*	Critana
Western wheatgrass	*Pascopyrum smithii*	3.0	Rosanna
Beardless bluebunch	*Pseudoroegneria spicata ssp. Inermis*	1.0*	Whitmar
Bluebunch wheatgrass	*Pseudoroegneria spicata ssp. Spicata*	1.0*	Antone

Slender wheatgrass	*Elymus trachycaulus*	4.0	Pryor
Pubescent wheatgrass	*Elytrigia intermedia*	1.0	Luna
Great Basin wildrye	*Leymus cinereus*	1.0	Trailhead
Bottlebrush squirreltail	*Elymus elymoides*	2.0*	Toe Jam Creek
Indian ricegrass	*Achnatherum hymenoides*	2.0*	Rimrock
Sheep fescue	*Festuca ovian*	0.2	Covar
Prairie junegrass	*Koeleria macrantha*	0.2	
Canby bluegrass	*Poa canbyi*	0.2	Canbar
Sandberg bluegrass	*Poa sandbergii*	0.2	
Alkali sacaton	*Sporobolus airoides*	0.1	
Green needlegrass	*Nassella viridula*	0.5*	Lodorm
White yarrow	*Achillea millefolium*	0.1	Eagle Mountain
*Northern sweetvetch	*Hedysarum boreale*	1.0	
Lewis flax	*Linum lewisii*	0.4	

*Indicates Changes from Proposed Seed Mix 1
Note: Application rates should be doubled if broadcast.

15. Upon completion of seeding, copies of the seed tags will be turned in to the authorized officer.

16. Seeding will take place in the fall between September 15 and December 15 when conditions permit.

17. Equipment will be thoroughly washed before being brought onto and leaving BLM lands

18. The use of herbicides will be done under the supervision of a United States Department of Agriculture (USDA) certified sprayer and an approved pesticide use proposal (PUP) on file at the WRFO

19. The operator will be responsible for monitoring for and treating weeds that establish in the project area.

20. The BME shall notify BLM biologists prior to construction or drilling activities at wells 5, 6 and A 1 – 4 to determine if construction/drilling timeframes may potentially influence nesting activities. A raptor survey will be required if activities (construction, drilling etc.) are scheduled to take place during the ferruginous hawk nesting season (generally February 1 – August 15). Should an active nest be located, appropriate timing stipulations would be applied.

21. Pad construction (vegetation clearing) will take place outside the migratory bird breeding period of May 15 – July 15 to avoid unnecessary disturbance to nesting birds.

22. No activities (construction, drilling etc.) are allowed from January 1 – April 30 to avoid unnecessary disturbance to mule deer during the critical winter period.

23. The operator is responsible for informing all persons who are associated with the project that they will be subject to prosecution for knowingly disturbing archaeological sites or for collecting artifacts.

24. If any archaeological materials are discovered as a result of operations under this authorization, activity in the vicinity of the discovery will cease, and the BLM WRFO Archaeologist will be notified immediately. Work may not resume at that location until approved by the AO. The operator will make every effort to protect the site from further impacts including looting, erosion, or other human or natural damage until BLM determines a treatment approach, and the treatment is completed. Unless previously determined in treatment plans or agreements, BLM will evaluate the cultural resources and, in consultation with the State Historic Preservation Office (SHPO), select the appropriate mitigation option within 48 hours of the discovery. The operator, under guidance of the BLM, will implement the mitigation in a timely manner. The process will be fully documented in reports, site forms, maps, drawings, and photographs. The BLM will forward documentation to the SHPO for review and concurrence.

25. Pursuant to 43 CFR 10.4(g) the holder of this authorization must notify the AO, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4(c) and (d), you must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the authorized officer.

26. The operator is responsible for informing all persons who are associated with the project operations that they will be subject to prosecution for disturbing or collecting vertebrate fossils, collecting large amounts of petrified wood (over 25lbs./day, up to 250lbs./year), or collecting fossils for commercial purposes on public lands.

27. If any paleontological resources are discovered as a result of operations under this authorization, the operator or any of his agents must stop work immediately at that site, immediately contact the BLM Paleontology Coordinator, and make every effort to protect the site from further impacts, including looting, erosion, or other human or natural damage. Work may not resume at that location until approved by the AO. The BLM or designated paleontologist will evaluate the discovery and take action to protect or remove the resource within 10 working days. Within 10 days, the operator will be allowed to continue construction through the site, or will be given the choice of either (a) following the Paleontology Coordinator's instructions for stabilizing the fossil resource in place and avoiding further disturbance to the fossil resource, or (b) following the Paleontology Coordinator's instructions for mitigating impacts to the fossil resource prior to continuing construction through the project area.

28. If it becomes necessary to excavate into the underlying sedimentary rock formation to construct the access or level a pad for the drill rig a paleontological monitor shall be present before and during all such excavations.

29. When working on lands administered by the BLM WRFO, notify Craig Interagency Dispatch (970-826-5037) in the event of any fire.
    a) The reporting party will inform the dispatch center of fire location, size, status, smoke color, aspect, fuel type, and provide their contact information.
    b) The reporting party, or a representative of, should remain nearby, in a safe location, in order to make contact with incoming fire resources to expedite actions taken towards an appropriate management response.
    c) The applicant and contractors will not engage in any fire suppression activities outside the approved project area. Accidental ignitions caused by welding, cutting, grinding, etc. will be suppressed by the applicant only if employee safety is not endangered and if the fire can be safely contained using hand tools and portable hand pumps. If chemical fire extinguishers are used the applicant must notify incoming fire resources on extinguisher type and the location of use.
    d) Natural ignitions caused by lightning will be managed by Federal fire personnel. If a natural ignition occurs within the approved project area, the fire may be initially contained by the applicant only if employee safety is not endangered. The use of heavy equipment for fire suppression is prohibited, unless authorized by the Field Office Manager.

30. BME will report all trees limbed or removed for the improvement of access to the White River Field Office Forester. The Forester will then inspect the site and measure trees to determine the actual volume of trees impacted. Blue Mountain Energy, Inc. will be billed for the actual volume of woody material disturbed in accordance with the 1997 White River RMP/ROD.

31. Any range improvement impacted during implementation of this project will be restored to proper functioning condition upon completion of the project.

32. Temporary fencing will be used to keep livestock from falling into any open pits during the permitted use.

33. Where access roads go through existing pasture fences, wire gates will be installed to allow future vehicle access while maintaining the integrity of the fence.

34. All activities shall comply with all applicable local, State, and Federal laws, statutes, regulations, standards, and implementation plans. This includes acquiring all required State and/or local permits, effectively coordinating with existing facility ROW holders, and implementing all applicable mitigation measures required by each permit.

COMPLIANCE WITH LAWS & CONFORMANCE WITH THE LAND USE PLAN

This decision is in compliance with the 1997 White River Record of Decision and Approved Resource Management Plan, the Endangered Species Act, and the National Historic Preservation Act.

ENVIRONMENTAL ANALYSIS AND FINDING OF NO SIGNIFICANT IMPACT

The Proposed Action was analyzed in DOI-BLM-CO-2011-0080-EA and it was found to have no significant impacts, thus an EIS is not required.

PUBLIC INVOLVEMENT

External scoping was conducted by posting this project on the WRFO's on-line National Environmental Policy Act (NEPA) register on 6/8/2011. Additionally, a press release was issued 9/9/2011 asking for public comments through 9/26/2011. No comments were received or issues identified during public scoping.

RATIONALE

Analysis of the Proposed Action has concluded that there are no significant negative impacts and that it meets Colorado Standards for Public Land Health. Approving the Proposed Action will allow the areal extent of coal reserves to be identified to ensure the maximum economic coal recovery by preventing the bypass of mineable coal and a continued supply of coal to the power plant.

ADMINISTRATIVE REMEDIES

Any appeal of this decision must follow the procedures set forth in 43 CFR Part 4. Within 30 days of the decision, a Notice of Appeal must be filed in the office of the Authorized Officer at White River Field Office, 220 East Market St., Meeker, CO 81641 with copies sent to the Regional Solicitor, Rocky Mountain Region, 755 Parfet St., Suite 151, Lakewood, CO 80215, and to the Department of the Interior, Board of Land Appeals, 801 North Quincy St., MS300-QC, Arlington, VA, 22203. If a statement of reasons for the appeal is not included with the notice, it must be filed with the Interior Board of Land Appeals at the above address within 30 days after the Notice of Appeal is filed with the Authorized Officer.

SIGNATURE OF AUTHORIZED OFFICIAL: Scott M McGrath
Field Manager

DATE SIGNED: 10/6/11